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## MANAGEMENT REPORT OF FUND PERFORMANCE

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### Harvest Banks & Buildings Income Fund

December 31, 2018



The Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure, can be obtained at your request, and at no cost, by calling us at 1-866-998-8298; by writing to us at Harvest Portfolios Group Inc., 710 Dorval Drive, Suite 209, Oakville, Ontario, L6K 3V7; by visiting our website at [www.harvestportfolios.com](http://www.harvestportfolios.com); or on SEDAR at [www.sedar.com](http://www.sedar.com).

# Harvest Banks & Buildings Income Fund

## CORPORATE OVERVIEW

Harvest Portfolios Group Inc. (“Harvest”) is a Canadian Investment Manager founded in 2009. Harvest is focused on developing investment products that follow three investment criteria:

1. Clear investment objectives
2. Transparency
3. Consistent income and growth

Harvest endeavours to develop investment products that are clear in their mandate and easy for our investors to understand. We strive to be transparent, so that our investors can open their reports and know exactly what they own. Our funds are invested to provide investors with consistent monthly or quarterly income; therefore, we seek to invest our fund portfolios in well managed companies that have a history of steady cash flow and pay dividends.

## INVESTMENT PRODUCT

The Harvest Banks & Buildings Income Fund (the “Fund”) invests primarily in the Canadian banking, other financial and real estate sectors. The banking, other financial and real estate sectors represent significant components of the Canadian economy. As the Canadian economy generally expands, Harvest believes that a diversified portfolio invested across these sectors will provide investors with an attractive yield and strong capital appreciation potential.

# Harvest Banks & Buildings Income Fund

## PRESIDENT'S MESSAGE

Harvest Banks & Buildings Income Fund

Unitholder letter March 2019

Dear Valued Investor,

Like 2017, 2018 proved to be a year of unexpected surprises, though this time with considerably more volatility and global markets ending the year in negative territory.

Should we really be that surprised? As we break into the tenth year since the financial crisis when the market put in a bottom in March 2009, we can point to three additional periods of market disruption: 1) in 2011, 2) late 2015 to early 2016, and 3) most of 2018. I have heard people referring to the current situation as a trader's market while investors have been sidelined. Though the volatility is tough to endure, remaining focused on long term growth by staying invested in great businesses will prove itself now as it has in the past.

A stockholder or unitholder never thinks of himself/herself as a business owner, though in the case of equity investing, that's what you are. You own a piece of many businesses through your ETF or Fund holdings, and if you like what you own and feel comfortable with the underlying companies its best to ignore noise and stay with the program. In short periods of time, interest rates, inflation, analyst reports and media articles can move a company's share price around, but over longer time horizons the trendline economics of the underlying business will override short term price fluctuations with the true direction of the stock price.

One thing we do know is that our investment philosophy at Harvest doesn't change, markets will change, and we accept that, we will fine tune portfolios when the dynamics for a company change, but we maintain our long-term thesis. Option writing, in our Leaders ETFs, allows us to reduce some of the shorter-term risk of a portfolio and monetize that portion of return for income generation. Most of the portfolio will remain long due to our positive bias towards the businesses we hold.

Early in 2018 Harvest launched its first specialty index ETF, the Blockchain Technologies ETF, as a long-term proxy on the transformational Blockchain technology. We truly believe this technology will change the way businesses and consumers transact, track and verify goods and services in a secure and non-corruptible manner. The sell off in crypto currencies early in the year washed through the burgeoning Blockchain technology sector due to its close association to cryptos as Blockchain provides the framework for the crypto currencies to transact upon. As tough as the inaugural year was, we hold steadfast in our belief that it is still early days for Blockchain technology, and it will continue to emerge as the go to transactional technology of the future.

As we look towards 2019, we expect to see some of the macro trade issues resolved and a relatively flat trend for interest rates, it wouldn't surprise us to see markets end the year on a positive note, but to predict how much or how we will get there is like trying to predict the weather. Plan your picnic, just keep an umbrella in the car.

On behalf of Harvest, I would like to thank you for your trust and investment in our products.

Sincerely,

*Signed* "Michael Kovacs"

Michael Kovacs  
President and Chief Executive Officer

# Harvest Banks & Buildings Income Fund

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

The annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. For your reference, the annual financial statements of the Fund are attached to the annual management report of fund performance. You may obtain additional copies of these documents at your request, and at no cost, by calling toll free at 1 (866) 998-8298; by writing to us at Harvest Portfolios Group Inc., 710 Dorval Drive, Suite 209, Oakville, Ontario, L6K 3V7; or by visiting our website at [www.harvestportfolios.com](http://www.harvestportfolios.com); or on SEDAR at [www.sedar.com](http://www.sedar.com).

Unitholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

## INVESTMENT OBJECTIVES AND STRATEGY

The Fund's investment objectives are:

- i. to provide unitholders with monthly distributions; and
- ii. to maximize total return for unitholders.

To achieve the investment objectives, the Fund invests in an actively managed portfolio that consists primarily of Banking Issuers, Other Financial Issuers and Real Estate Issuers. It is the investment manager's view that in this environment, dividend paying companies in the financial and real estate sectors will continue to maintain their dividends or distributions. The issuers in the Canadian banking, other financial and real estate industries have capital ratios and leverage ratios that are conservative in nature and therefore justify consistent dividend payout policies.

A combination of top-down, macro analysis is used to evaluate and identify the most attractive companies and types of securities in the sectors mentioned above. A value-based, bottom-up fundamental analysis is also used to identify issuers based on the quality of their assets and the strength of their balance sheets and cash flows. Generally, each company or investment held in the portfolio will have consistent dividend payout history and offers a yield component that will help aid the objectives of the Fund. The investment manager seeks to acquire securities that it believes have strong free cash flow metrics and will not defer future dividend or interest payments and will focus on issuers that it believes offer high levels of income and potential for capital appreciation, and that it believes provide the most attractive total return, relative to risk.

## RISK

The risks associated with investing in the Fund are as described in the prospectus. There were no material changes to the Fund over the period that affected the overall level of risk of the Fund.

## RESULTS OF OPERATIONS

The Harvest Banks & Buildings Income Fund return for the year ended December 31, 2018 was -7.19% Series R, -8.09% for Series A, -6.79% for Series F and -7.05% for Series D versus the custom benchmark index comprised of 50% weighting of the S&P/TSX Financials Total Return Index and a 50% weighting of the S&P/Real Estate Total Return Index return of -1.73%. One of the primary reasons for the short-term divergence of the returns is driven in large part due to the differing sub-sector allocations of the Fund versus the benchmark during the year.

The Fund's overweight exposure to the Financial sectors versus REITs had a negative impact on the performance for the Fund during 2018. The Financials sectors both in Canada and the US were weak from the end of March and particularly towards the end of the year. Concerns over a slowing economy coupled with slowing of new loans issued by the banks was a key driver for the relatively weak performance of the Financials sector during the period. This was heightened by the general uncertainty surrounding trade negotiations between the two largest economies in the world and later in the period, the partial shut-down in the United States government. Despite many forecasters projecting that the US Federal Funds Rate hikes would be detrimental to yield sensitive sectors such as REITs, the sector performed relatively well with the US REIT sub-sector performing in line with the broader markets while in Canada REITs were positive during the period, offering some balance to the large negative returns in the Financials sectors. Within the Financials sub-sector, the Banks particularly were weak during the period, with valuation multiples compressing at times to levels well below those seen on average over the past five years.

The Fund continued to be in a diversified portfolio of Financial issuers and Real Estate Issuers at the end of the period.

## RECENT DEVELOPMENTS

No new recent developments to note for the year ended December 31, 2018.

# Harvest Banks & Buildings Income Fund

## RELATED PARTY TRANSACTIONS

There were no related party transactions during the reporting period, except for management fees and other expense reimbursements paid to Harvest, as noted below in "Management and Other Fees".

## MANAGEMENT AND OTHER FEES

Harvest Portfolios Group Inc. is the Manager of the Fund and is responsible for managing the Fund's overall business and operations and provides key management personnel to the Fund. Each series of units pays the Manager an annual management fee, plus applicable taxes, based on a percentage of the average daily net asset value ("NAV") of the Fund attributable to that applicable series (the "Management Fee").

Dealers may be paid a servicing fee in connection with Series A, Series R and Series D units for ongoing services they provide to investors, including investment advice, account statements and newsletters. Generally, the servicing fees, plus applicable taxes, are payable monthly in arrears based on the total client assets invested in each series of units of the Fund held by all of a Dealer's clients throughout the month. The Manager can change or cancel servicing fees at any time.

The fees differ among the series of units of the Fund as set out in the chart below:

Fund Series	Annual Management Fee	Dealer Service Fee	Total Fees
R	1.10%	0.40%	1.50%
A	1.10%	1.25%	2.35%
F	1.10%	0.00%	1.10%
D	1.10%	0.25%	1.35%

## Operating expenses

The Fund is responsible for operating expenses relating to the carrying on of its business, including custodial services, interest, taxes, legal, audit fees, transfer agency services relating to the issue and redemption of units, and the cost of financial and other reports, costs and expenses for the Fund's Independent Review Committee ("IRC"), including fees and expenses of the IRC members and compliance with applicable laws, regulations and policies. The Manager pays for such expenses on behalf of the Fund, except for certain expenses such as interest, and is then reimbursed by the Fund.

The Manager may, in some cases, absorb a portion of the Fund's operating expenses. There were no absorptions for the year ended December 31, 2018 and 2017. The Manager may cease doing so at any time without notice to unitholders.

## Other expenses

The Manager will be reimbursed by the Fund for all reasonable costs, expenses and liabilities incurred by the Manager for performance of services on behalf of the Fund in connection with the discharge by the Manager of its duties hereunder. Such costs and expenses may include, without limitation: mailing and printing expenses for reports to unitholders and other unitholder communications; a reasonable allocation of salaries, benefits and consulting fees; independent directors of the Manager and other administrative expenses and costs incurred in connection with the Fund's continuous public offering and other obligations. These expenses are allocated by the Manager on a reasonable basis, across all of the Harvest Portfolios Group Inc. Funds, and series of each applicable fund. These expenses were \$31,101 for the year ended December 31, 2018 (2017 - \$27,937) and are included in the unitholder reporting costs on the Statements of Comprehensive Income (Loss) in the financial statements.

## RECOMMENDATION OR REPORTS BY THE INDEPENDENT REVIEW COMMITTEE

The Independent Review Committee tabled no special reports and made no extraordinary material recommendations to management of the Fund during the year ended December 31, 2018.

## Harvest Banks & Buildings Income Fund

### FINANCIAL HIGHLIGHTS

The following tables present selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the year ended December 31, 2018 and past annual periods. This information is derived from the Fund's past audited annual financial statements.

THE FUND'S NET ASSETS PER UNIT – SERIES R						
	2018	2017	2016	2015	2014	
<b>Net assets - beginning of year<sup>2</sup></b>	\$ 14.40	\$ 14.94	\$ 13.63	\$ 14.06	\$ 13.42	
<b>Increase (decrease) from operations</b>						
Total revenue	0.37	0.52	0.66	0.42	0.42	
Total expenses	(0.49)	(0.47)	(0.39)	(0.36)	(0.35)	
Realized gains (losses) for the year	1.33	2.91	0.54	1.80	1.13	
Unrealized gains (losses) for the year	(2.15)	(1.82)	1.11	(1.46)	0.30	
<b>Total increase (decrease) from operations<sup>1</sup></b>	<b>\$ (0.94)</b>	<b>\$ 1.14</b>	<b>\$ 1.92</b>	<b>\$ 0.40</b>	<b>\$ 1.50</b>	
<b>Distributions<sup>3</sup></b>						
From net investment income	-	-	(0.09)	-	-	
From capital gains	(0.47)	(1.71)	-	(0.60)	-	
Return of capital	(0.37)	-	(0.75)	(0.24)	(0.84)	
<b>Total annual distributions<sup>3</sup></b>	<b>\$ (0.84)</b>	<b>\$ (1.71)</b>	<b>\$ (0.84)</b>	<b>\$ (0.84)</b>	<b>\$ (0.84)</b>	
<b>Net assets - end of year<sup>1</sup></b>	<b>\$ 12.58</b>	<b>\$ 14.40</b>	<b>\$ 14.94</b>	<b>\$ 13.63</b>	<b>\$ 14.06</b>	

THE FUND'S NET ASSETS PER UNIT – SERIES A						
	2018	2017	2016	2015	2014	
<b>Net assets - beginning of year<sup>2</sup></b>	\$ 13.58	\$ 14.32	\$ 13.22	\$ 13.77	\$ 13.25	
<b>Increase (decrease) from operations</b>						
Total revenue	0.36	0.49	0.64	0.41	0.41	
Total expenses	(0.59)	(0.58)	(0.50)	(0.45)	(0.44)	
Realized gains (losses) for the year	1.24	2.81	0.51	1.75	1.11	
Unrealized gains (losses) for the year	(2.03)	(1.79)	0.95	(1.42)	0.26	
<b>Total increase (decrease) from operations<sup>1</sup></b>	<b>\$ (1.02)</b>	<b>\$ 0.93</b>	<b>\$ 1.60</b>	<b>\$ 0.29</b>	<b>\$ 1.34</b>	
<b>Distributions<sup>3</sup></b>						
From net investment income	-	-	(0.05)	-	-	
From capital gains	(0.33)	(1.72)	-	(0.82)	-	
Return of capital	(0.51)	-	(0.79)	(0.02)	(0.84)	
<b>Total annual distributions<sup>3</sup></b>	<b>\$ (0.84)</b>	<b>\$ (1.72)</b>	<b>\$ (0.84)</b>	<b>\$ (0.84)</b>	<b>\$ (0.84)</b>	
<b>Net assets - end of year<sup>1</sup></b>	<b>\$ 11.69</b>	<b>\$ 13.58</b>	<b>\$ 14.32</b>	<b>\$ 13.22</b>	<b>\$ 13.77</b>	

## Harvest Banks & Buildings Income Fund

THE FUND'S NET ASSETS PER UNIT – SERIES F					
	2018	2017	2016	2015	2014
<b>Net assets - beginning of year<sup>2</sup></b>	\$ 15.04	\$ 15.75	\$ 14.26	\$ 14.52	\$ 13.70
<b>Increase (decrease) from operations</b>					
Total revenue	0.40	0.55	0.68	0.43	0.43
Total expenses	(0.45)	(0.42)	(0.34)	(0.21)	(0.21)
Realized gains (losses) for the year	1.40	3.12	0.64	1.85	1.13
Unrealized gains (losses) for the year	(2.25)	(2.06)	1.37	(1.49)	0.27
<b>Total increase (decrease) from operations<sup>1</sup></b>	<b>\$ (0.90)</b>	<b>\$ 1.19</b>	<b>\$ 2.35</b>	<b>\$ 0.58</b>	<b>\$ 1.62</b>
<b>Distributions<sup>3</sup></b>					
From net investment income	-	-	(0.17)	-	-
From capital gains	(0.57)	(2.02)	-	(0.84)	-
Return of capital	(0.27)	-	(0.67)	-	(0.84)
<b>Total annual distributions<sup>3</sup></b>	<b>\$ (0.84)</b>	<b>\$ (2.02)</b>	<b>\$ (0.84)</b>	<b>\$ (0.84)</b>	<b>\$ (0.84)</b>
<b>Net assets - end of year<sup>1</sup></b>	<b>\$ 13.23</b>	<b>\$ 15.04</b>	<b>\$ 15.75</b>	<b>\$ 14.26</b>	<b>\$ 14.52</b>

THE FUND'S NET ASSETS PER UNIT – SERIES D					
	2018	2017	2016	2015	2014
<b>Net assets - beginning of year<sup>2</sup></b>	\$ 14.85	\$ 15.13	\$ 13.77	\$ 14.14	\$ 13.81
<b>Increase (decrease) from operations</b>					
Total revenue	0.40	0.53	0.56	0.46	0.19
Total expenses	(0.48)	(0.45)	(0.37)	(0.21)	(0.11)
Realized gains (losses) for the year	1.37	2.95	1.15	1.17	0.21
Unrealized gains (losses) for the year	(2.35)	(1.80)	2.15	(0.40)	0.47
<b>Total increase (decrease) from operations<sup>1</sup></b>	<b>\$ (1.06)</b>	<b>\$ 1.23</b>	<b>\$ 3.49</b>	<b>\$ 1.02</b>	<b>\$ 0.76</b>
<b>Distributions<sup>3</sup></b>					
From net investment income	-	-	-	-	-
From capital gains	(0.49)	(1.50)	-	-	-
Return of capital	(0.35)	-	(0.84)	(0.84)	(0.42)
<b>Total annual distributions<sup>3</sup></b>	<b>\$ (0.84)</b>	<b>\$ (1.50)</b>	<b>\$ (0.84)</b>	<b>\$ (0.84)</b>	<b>\$ (0.42)</b>
<b>Net assets - end of year<sup>1</sup></b>	<b>\$ 13.01</b>	<b>\$ 14.85</b>	<b>\$ 15.13</b>	<b>\$ 13.77</b>	<b>\$ 14.14</b>

### Series R

RATIOS AND SUPPLEMENTAL DATA					
	2018	2017	2016	2015	2014
<b>Total net asset value</b>	\$ 3,576,737	\$ 4,644,993	\$ 5,461,668	\$ 6,306,733	\$ 7,965,541
Number of units outstanding	284,397	322,545	365,649	462,797	566,675
Management expense ratio <sup>4</sup>	3.54%	3.16%	2.85%	2.57%	2.50%
Management expense ratio before waivers or absorptions <sup>4</sup>	3.54%	3.16%	2.85%	2.57%	2.51%
Trading expense ratio <sup>5</sup>	0.05%	0.07%	0.08%	0.14%	0.08%
Portfolio turnover rate <sup>6</sup>	7.30%	28.80%	10.23%	26.33%	8.09%
<b>Net asset value per unit</b>	<b>\$ 12.58</b>	<b>\$ 14.40</b>	<b>\$ 14.94</b>	<b>\$ 13.63</b>	<b>\$ 14.06</b>

# Harvest Banks & Buildings Income Fund

## Series A

<b>RATIOS AND SUPPLEMENTAL DATA</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total net asset value</b>	<b>\$ 3,849,072</b>	<b>\$ 5,174,344</b>	<b>\$ 6,507,514</b>	<b>\$ 9,119,811</b>	<b>\$ 11,313,543</b>
Number of units outstanding	329,139	381,095	454,319	689,629	821,882
Management expense ratio <sup>4</sup>	4.50%	4.11%	3.81%	3.32%	3.25%
Management expense ratio before waivers or absorptions <sup>4</sup>	4.50%	4.11%	3.81%	3.37%	3.42%
Trading expense ratio <sup>5</sup>	0.05%	0.07%	0.08%	0.14%	0.08%
Portfolio turnover rate <sup>6</sup>	7.30%	28.80%	10.23%	26.33%	8.09%
<b>Net asset value per unit</b>	<b>\$ 11.69</b>	<b>\$ 13.58</b>	<b>\$ 14.32</b>	<b>\$ 13.22</b>	<b>\$ 13.77</b>

## Series F

<b>RATIOS AND SUPPLEMENTAL DATA</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total net asset value</b>	<b>\$ 1,057,466</b>	<b>\$ 1,339,800</b>	<b>\$ 1,968,823</b>	<b>\$ 1,554,410</b>	<b>\$ 1,798,342</b>
Number of units outstanding	79,923	89,067	124,982	108,972	123,847
Management expense ratio <sup>4</sup>	3.09%	2.70%	2.41%	1.49%	1.49%
Management expense ratio before waivers or absorptions <sup>4</sup>	3.09%	2.70%	2.41%	1.78%	1.90%
Trading expense ratio <sup>5</sup>	0.05%	0.07%	0.08%	0.14%	0.08%
Portfolio turnover rate <sup>6</sup>	7.30%	28.80%	10.23%	26.33%	8.09%
<b>Net asset value per unit</b>	<b>\$ 13.23</b>	<b>\$ 15.04</b>	<b>\$ 15.75</b>	<b>\$ 14.26</b>	<b>\$ 14.52</b>

## Series D

<b>RATIOS AND SUPPLEMENTAL DATA</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total net asset value</b>	<b>\$ 222,028</b>	<b>\$ 207,533</b>	<b>\$ 133,757</b>	<b>\$ 29,011</b>	<b>\$ 1,584</b>
Number of units outstanding	17,062	13,976	8,839	2,107	112
Management expense ratio <sup>4</sup>	3.38%	3.01%	2.64%	1.51%	1.66%
Management expense ratio before waivers or absorptions <sup>4</sup>	3.38%	3.01%	2.64%	2.16%	2.50%
Trading expense ratio <sup>5</sup>	0.05%	0.07%	0.08%	0.14%	0.16%
Portfolio turnover rate <sup>6</sup>	7.30%	28.80%	10.23%	26.33%	8.09%
<b>Net asset value per unit</b>	<b>\$ 13.01</b>	<b>\$ 14.85</b>	<b>\$ 15.13</b>	<b>\$ 13.77</b>	<b>\$ 14.14</b>

### Explanatory Notes:

1. Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the reporting period. It is not intended that the Fund's net assets per unit table act as a continuity of opening and closing net assets per unit.
2. Series D commenced operations on July 9, 2014.
3. Distributions may be paid in cash or automatically reinvested into additional units.
4. Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) of the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
5. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
6. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate, the greater the trading costs payable by the Fund and the greater the chance of an investor receiving taxable capital gains. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.



# Harvest Banks & Buildings Income Fund

## Past Performance

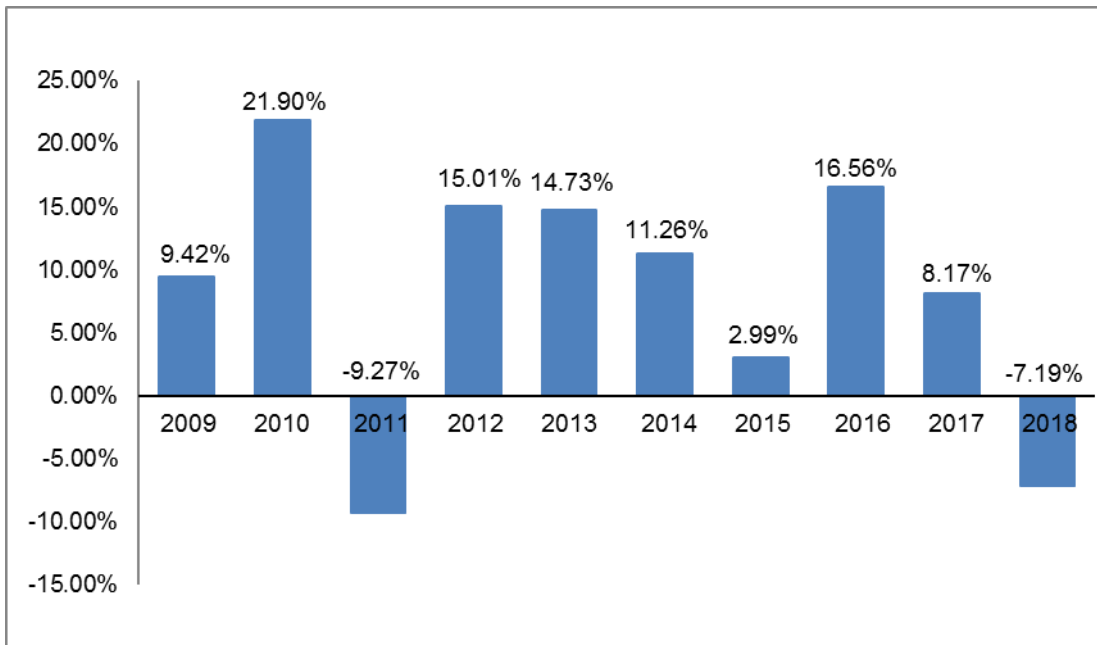
The performance information presented herein assumes all dividends of the Fund during the years presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemptions, or other charges that would have reduced returns or affected performance. Past performance of the Fund is not necessarily indicative of how it will perform in the future.

## YEAR-BY-YEAR RETURNS

The following charts present the Fund's performance for each of the years shown and illustrate how the Fund's performance varied for Series R, Series A, Series F and Series D. The charts show, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

## Fund Performance

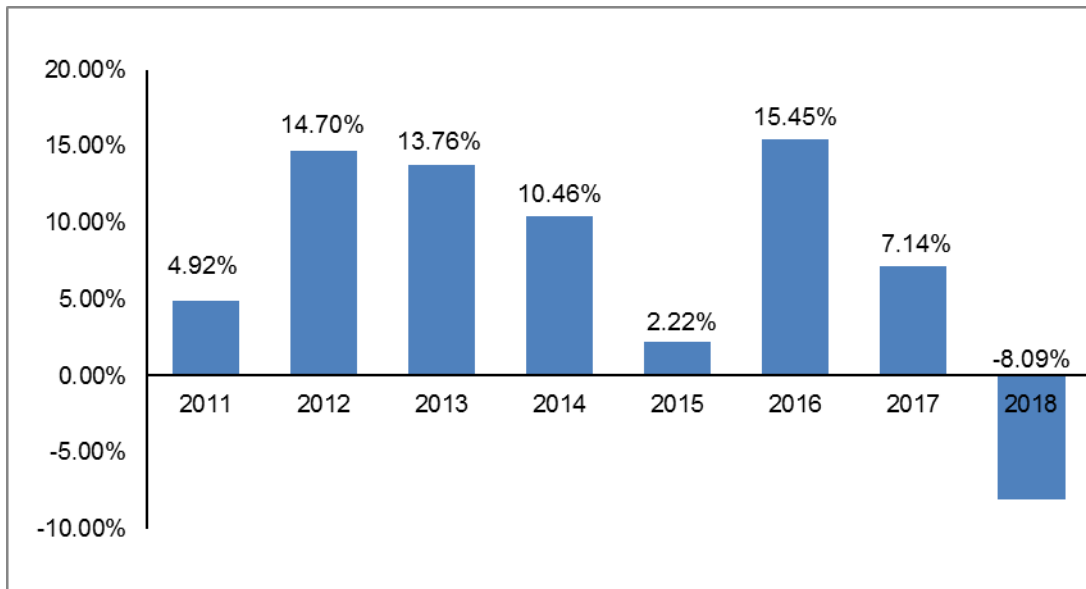
### Series R



2009 represents the period from October 23 to December 31.

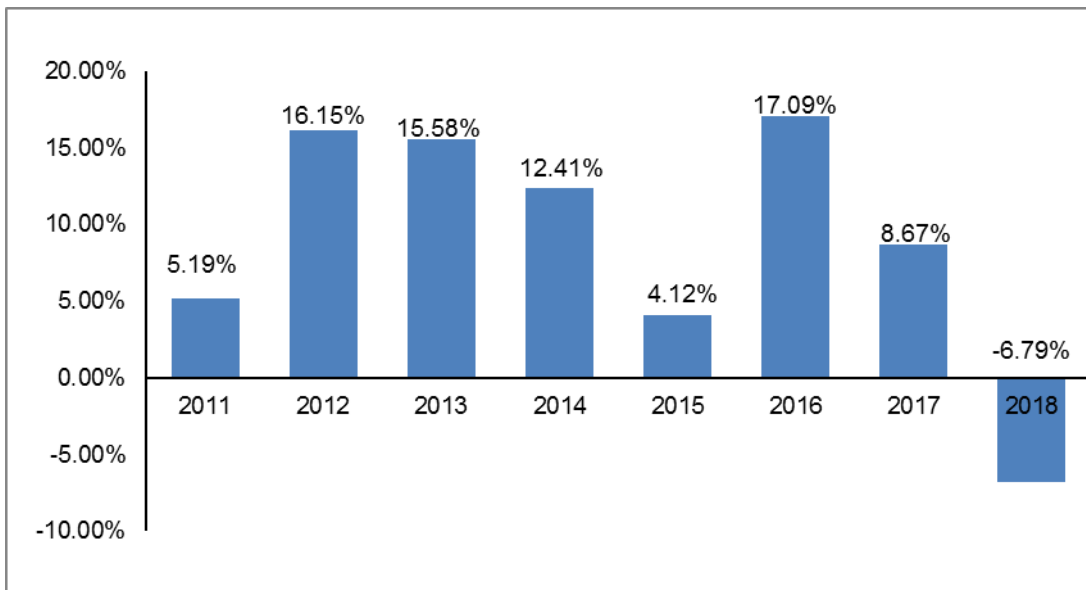
# Harvest Banks & Buildings Income Fund

## Series A



2011 represents the period from October 18 to December 31.

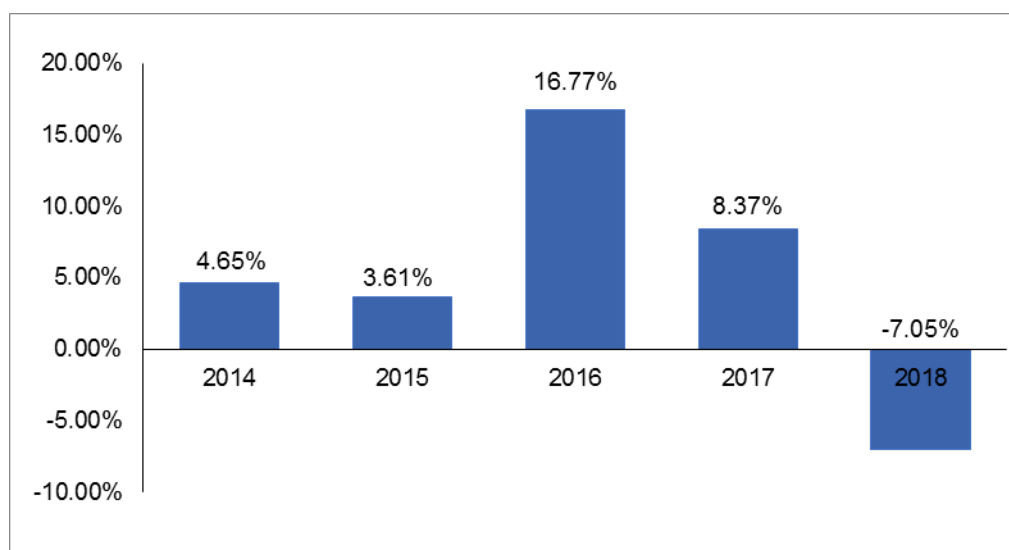
## Series F



2011 represents the period from October 18 to December 31.

## Harvest Banks & Buildings Income Fund

### Series D



2014 represents the period from July 9 to December 31.

### ANNUAL COMPOUND RETURNS

The following table shows the annual compound returns for the Fund. All returns are in Canadian dollars, on a total return basis, net of fees.

For comparison purposes, a blended benchmark of the S&P/TSX Composite Index (the "Index") is used. This blended benchmark is comprised of a 50% sector weighting of the S&P/TSX Financial Index and a 50% sector weighting of the S&P/TSX Real Estate Index. The Index is a capitalization-weighted index that measures market activity of a universe of stocks traded on the Toronto Stock Exchange. The sector weightings are comprised of the universe of stocks identified in the Financials sub sector.

While the Fund uses this benchmark for long-term performance comparisons, it is not managed relative to the composition of the Index. As a result, the Fund may experience periods when its performance is not aligned with the Index, either positively or negatively. The return of the Index is calculated without the deduction of management fees and fund expenses whereas the performance of the Fund is calculated after deducting such fees and expenses. Please see the "Results of Operations" section of this report for a discussion on recent performance.

Investment Return %	1 Year	3 Years	5 Years	10 Years	Since Inception*
Fund Performance Series R (%)	-7.19	5.38	6.04	-	8.64
50% S&P/TSX Financial, 50% S&P/TSX Real Estate (%)	-1.73	9.95	7.67	-	10.56
Fund Performance Series A (%)	-8.09	4.37	5.12	-	8.14
Fund Performance Series F (%)	-6.79	5.85	6.78	-	9.80
50% S&P/TSX Financial, 50% S&P/TSX Real Estate (%)	-1.73	9.95	7.67	-	9.61
Fund Performance Series D (%)	-7.05	5.56	-	-	5.52
50% S&P/TSX Financial, 50% S&P/TSX Real Estate (%)	-1.73	9.95	-	-	6.38

\*Since inception dates are: Series R - October 23, 2009; Series A - October 22, 2011; Series F - October 27, 2011; Series D - July 9, 2014

## Harvest Banks & Buildings Income Fund

### SUMMARY OF INVESTMENT PORTFOLIO

The Portfolio by category chart below provides a portfolio breakdown based on the total transactional net asset value of the Fund's portfolio holdings. A detailed breakdown of the Fund's holdings is available in the "Schedule of Investments" section of the Fund's annual financial statements.

As at December 31, 2018

Top Holdings	% of Net Asset Value	Yield (%)
SmartCentres Real Estate Investment Trust	6.6	5.8
Killam Apartment Real Estate Investment Trust	6.4	4.0
Canadian Imperial Bank of Commerce	6.3	5.4
Bank of Montreal	6.1	4.5
The Bank of Nova Scotia	6.1	5.0
First Capital Realty Inc.	6.0	4.6
Sun Life Financial Inc.	5.9	4.4
Royal Bank of Canada	5.6	4.2
The Toronto-Dominion Bank	4.9	3.9
Manulife Financial Corporation	4.8	5.2
Chartwell Retirement Residences	4.5	4.3
Morgan Stanley	4.4	3.0
Digital Realty Trust, Inc.	4.3	3.8
Bank of America Corporation	4.3	2.4
JPMorgan Chase & Co.	4.3	3.3
InterRent Real Estate Investment Trust	4.3	2.2
Alexandria Real Estate Equities, Inc.	3.8	3.4
Prologis, Inc.	3.7	3.3
Allied Properties Real Estate Investment Trust	3.6	3.6
Timbercreek Financial Corp.	2.2	7.9
Cash and other assets and liabilities	1.9	N/A
<b>Total</b>	<b>100.0</b>	

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available from Harvest Portfolios Group Inc. at [www.harvestportfolios.com](http://www.harvestportfolios.com).

# Harvest Banks & Buildings Income Fund

## SECTOR ALLOCATION

<b>Sector</b>	<b>% of Net Asset Value</b>
Financials	54.9
Real Estate	43.2
Cash and other assets and liabilities	1.9
<b>Total</b>	<b>100.0</b>

## GEOGRAPHIC ALLOCATION

<b>Country of Issue</b>	<b>% of Net Asset Value</b>
Canada	73.8
United States of America	26.2
<b>Total</b>	<b>100.0</b>



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#### **CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest and the risks detailed from time to time in the Fund's prospectus or offering memorandum. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, the Fund does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.